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September 27, 2017  
*VIA ECF*

The Honorable Loretta A. Preska  
United States District Court for the Southern District of New York  
500 Pearl Street  
New York, NY 10007

**Re: SEC v. Stewart, et al., Case No. 1:98-cv-02636-LAP**  
**SEC v. First American Title Ins. Co., 1:15-cv-09568-LAP**

Dear Judge Preska:

This firm is counsel to First American Title Insurance Company ("First American") in the above-referenced actions. As was mentioned on the status conference call on September 6, 2017, First American, Allen B. Gottlieb, Phyllis J. Gottlieb, both individually and as Trustee of the Phyllis J. Gottlieb Living Trust, and the Securities and Exchange Commission have entered into a Stipulation and Proposed Order of Settlement with respect to the escrow monies that First American is holding. Enclosed for the Court's consideration, please find a copy of the Stipulation and Proposed Order of Settlement.

We are available to answer any questions.

Respectfully submitted,

**DLA Piper LLP (US)**

A handwritten signature in dark ink, appearing to be 'DKC', with a long horizontal flourish extending to the right.

Dale K. Cathell

Enclosures

cc: (via first class mail)  
All parties listed on attached certificate of service

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

GEORGE WALLACE STEWART, ET AL.,

Defendants

and

CORNEL D. PLEBANI, ET AL.,

Relief Defendants.

1:98-cv-02636-LAP

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff-Petitioner-Judgment Creditor,

v.

FIRST AMERICAN TITLE INSURANCE COMPANY,

Respondent-Garnishee,

and

ALLEN B. GOTTLIEB,

Defendant-Judgment Debtor,

and

PHYLLIS J. GOTTLIEB, Individually and as Trustee of  
the Phyllis J. Gottlieb Living Trust dated February 17,  
2012,

Interested Person.

1:15-cv-09568-LAP

**STIPULATION AND ORDER OF SETTLEMENT**

Respondent/Garnishee First American Title Insurance Company ("First American"), by  
and through its undersigned counsel, Allen B. Gottlieb and Phyllis J. Gottlieb, both individually  
and as Trustee of the Phyllis J. Gottlieb Living Trust dated February 17, 2012 (collectively, the

“Gottliebs”), and the Securities and Exchange Commission, by and through its undersigned counsel (the “SEC” and together with the Gottliebs and First American, the “Parties”), hereby stipulate and agree as follows:

1. Phyllis Gottlieb (“Mrs. Gottlieb”) closed on the sale of real property located at 3234 NE 211 Terrace, Aventura, Florida 33180 (the “Florida Property”) in July 2015.
2. At closing, the net proceeds of the sale of the Florida Property were placed in escrow (the “Escrow Funds”) pursuant to an Escrow Agreement dated July 23, 2015 (the “Escrow Agreement”) because, among other things, an IRS tax lien against Mrs. Gottlieb and Alan B. Gottlieb (“Mr. Gottlieb”) was recorded in the land records in Florida prior to the closing.
3. First American is a neutral third party holding these Escrow Funds.
4. On or about July 24, 2015, the SEC served a restraining notice on First American asserting a lien interest in the Escrow Funds arising out of the multi-million dollar judgment it obtained against Mr. Gottlieb in this case (the “Original New York Action”).
5. On August 20, 2015, the SEC moved for a turnover order in the Original New York Action seeking to have all of the Escrow Funds paid to the SEC.
6. On August 23, 2015, Mrs. Gottlieb filed an action against the SEC and First American in Florida state court for turnover of the Escrow Funds. The SEC removed the Florida state court action to the United States District Court for the District of Florida on September 2, 2015 (the “Florida Action”). *See Gottlieb v. SEC, et al.*, Case No. 1:15-cv-23309. On September 3, 2015, the SEC filed a motion to transfer the Florida Action to this Court.
7. On November 25, 2015, First American filed an interpleader pursuant to Rule 22 of the Federal Rules of Civil Procedure in the Florida Action joining Mrs. Gottlieb, the IRS, and the SEC in order to establish each party’s right to the Escrow Funds.

8. On December 4, 2015, the United States District Court for the Southern District of Florida granted the SEC's motion to transfer the Florida Action to the United States District Court for the Southern District of New York. The Florida Action was transferred to the Southern District of New York on December 8, 2015 (the "Related New York Action"). *See Gottlieb v. Securities and Exchange Commission, et al.*, Case No. 1:15-cv-09568 (LAP). The Related New York Action was dismissed by the Court on September 30, 2016 and was later appealed by Mrs. Gottlieb to the Second Circuit Court of Appeals on October 28, 2016. *See Gottlieb v. Securities and Exchange Commission, et al.*, Case No. 16-3663 (LAP).

9. The IRS advised First American that it is not asserting a claim against the escrow funds. Accordingly, a Stipulation and Order of Dismissal was entered on April 13, 2016, dismissing the IRS from these actions. The Parties continue to claim an interest in the remaining Escrow Funds.

10. Pursuant to an order dated February 8, 2017, \$56,428.68 of the Escrow Funds have been paid to Alexander Eisemann, Esq.

11. The remaining amount of the Escrow Funds, \$758,177.17, is currently being held by First American in Escrow.

12. On July 14, 2017, Phyllis J. Gottlieb, pro se, filed an answer to the interpleader complaint filed by First American and she also filed a cross-claim (the "Cross-Claim") against First American in the Related New York Action.

13. First American asserts that it is entitled to reimbursement of the fees and expenses it has incurred in these matters under applicable law from the Escrow Funds. The Gottliebs contest First American's claim. The Parties have agreed to resolve these matters pursuant to the terms of this stipulation and order. This Stipulation is entered into for the purpose of settlement

and compromise. By entering into this stipulation, no Party admits liability of any nature to any other Party.

In accordance with the foregoing, the Parties hereby STIPULATE AND AGREE as follows:

1. After the Court enters an order approving this Stipulation and Settlement Order, First American will deposit the remaining Escrow Funds into the Court registry pursuant to the procedures established by the Clerk of the Court for depositing such money into the Court registry and the Clerk should be directed to accept the deposit of the remaining Escrow Funds into the Court registry.
2. Upon deposit of the remaining Escrow Funds into the Court registry, First American shall be fully released and discharged from any liability relating to the Escrow Funds. A so-ordered version of this stipulation shall fully and completely discharge First American from any liability relating to the Escrow Funds upon depositing such money into the Court registry. Upon deposit of the remaining Escrow Funds with the Court registry, First American releases the Gottliebs from any causes of action and claims that First American has asserted or could have asserted that are based upon the Escrow Funds from the beginning of time until the date of the execution of this Stipulation by First American.
3. Once the remaining Escrow Funds have been deposited with the Court registry, First American is hereby dismissed from these actions (including the Cross-Claim) with prejudice and discharged and released from any liability for the Escrow Funds.
4. In the event that the Court determines pursuant to a final judgment that the SEC is entitled to payment of the remaining Escrow Funds, then within twenty-one (21) days after such judgment becomes final and nonappealable, the Clerk shall pay, without further order of the

Court, from the remaining Escrow Funds that are on deposit in the Court registry (a) \$40,000 to First American for its attorneys' fees and costs, and (b) the remaining monies to the SEC. In the event that the Court determines pursuant to a final judgment that the Gottliebs are entitled to payment of the remaining Escrow Funds, then First American shall not be paid any monies from the remaining Escrow Funds.

5. This stipulation and order encompasses the entire agreement between the Parties and supersedes any and all previous understandings and agreements between them. Copies of this stipulation and order shall have the same force and effect as an original.

Dated: \_\_\_\_\_, 2017

CONSENTED AND AGREED TO THIS 26 DAY OF September, 2017

\_\_\_\_\_  
Nancy Tyler  
US Securities and Exchange Commission  
100 F. Street, N.E.  
Mail Stop 5631  
Washington, DC 20549  
Telephone: (212) 637-2663  
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*Counsel to the United States Securities  
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Harbor Bay Shopping Center  
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Nassau, Bahamas

Phyllis J. Gottlieb  
Phyllis J. Gottlieb, both individually and as  
Trustee of the Phyllis J. Gottlieb Living Trust  
dated February 17, 2012  
Harbor Bay Shopping Center  
Mail Boxes Etc. Box No. 825  
Nassau, Bahamas

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Court, from the remaining Escrow Funds that are on deposit in the Court registry (a) \$40,000 to First American for its attorneys' fees and costs, and (b) the remaining monies to the SEC. In the event that the Court determines pursuant to a final judgment that the Gottliebs are entitled to payment of the remaining Escrow Funds, then First American shall not be paid any monies from the remaining Escrow Funds.

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Dated: \_\_\_\_\_, 2017

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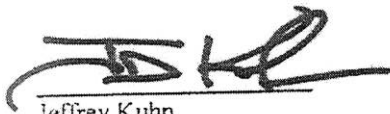
\_\_\_\_\_  
Phyllis J. Gottlieb, both individually and as  
Trustee of the Phyllis J. Gottlieb Living Trust  
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Accordingly, it is this \_\_\_\_ day of \_\_\_\_\_, 2017, by the United States District Court  
for the Southern District of New York:

SO ORDERED

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LORETTA A. PRESKA  
United States District Judge

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 27<sup>th</sup> day of September, 2017, a copy of the foregoing *Stipulation and Order of Settlement* was sent first class mail, pre-paid, to the following:

Nancy Tyler  
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Washington, DC 20549

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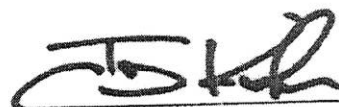
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Phyllis J. Gottlieb, Trustee  
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Nassau, Bahamas

  
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